

Gaspésie Railway Society wants to acquire a fleet of woodchip cars

Gilles Gagné

NEW RICHMOND: – The Gaspésie Railway Society is working towards acquiring a fleet of woodchip cars. One such car has recently been bought in the United States. The Railway Society is studying the possibility of having a Quebec manufacturer build the required fleet.

The acquisition of a fleet has become necessary because of the increase in the rate charged by Canadian National, the current provider of woodchip cars. This increase nullifies any profit made by the Gaspésie Railway Society when the company hauls the woodchips produced by the Temrex sawmill in Nouvelle Rivière-du-Loup.

The president of the Gaspésie Railway Society, Éric Dubé, says the company cannot afford to just break even with the largest part of its revenue. Woodchips represent about three-quarters of the society's annual volume of about 1,600 carloads.

"We are now seriously considering placing an order for brand new cars. On the American market, the acquisition cost of used cars increases every week because of the plunging Canadian dollar. In Quebec, we wouldn't be penalized by the strength of the American dollar," explains



Photo: G. Gagné

The Gaspésie Railway Society bought this used car in the United States for \$37,000 and will repay it in two years.

Mr. Dubé.

He adds that the director general of the Gaspésie Railway Society, Luc Lévesque, has been mandated to weigh the options the company would have in Quebec as far as finding a car builder is concerned. That could include the participation of Gaspesian businesses like Rail GD, the New Richmond railcar and locomotive repair shop.

"We are definitely considering the involvement of Gaspesian businesses. First we need woodchip car plans then we have to find a shop that has the certification to build railcars or supervise the fabrication if it takes place in

the Gaspé Peninsula," points out Éric Dubé.

"Everything is conditional to Transport-Québec allotting money for track improvements. As long as the budget is not there, we cannot make plans," says Mr. Dubé.

Transport-Québec has owned the Matapédia to Gaspé line since May 2015, two months after announcing the acquisition. The Gaspésie Railway Society, an entity formed by the municipalities located between the extremities of the line, was the former owner but had run out of financial means in November

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2014. However, the Gaspésie Railway Society was kept as the line operator by Transport-Québec for a year. That status is subject to extension later this year.

"With our own cars, we can generate \$500,000 of additional revenues annually, which is money we don't have to pay to CN. This is enough to pay for the new cars and generate some profits for the Gaspésie Railway Society," states Éric Dubé.

At the present time, The Gaspésie Railway Society uses 25 Canadian National woodchip cars. A fleet of 18 to 20 brand new cars with a higher capacity and a better turnaround between Nouvelle Rivière-du-Loup would generate the same traffic, tonnage-wise, says Éric Dubé. The cost of 20 new cars could hover between \$2 and \$3 million.

"CN won't charge us more between Matapédia and Rivière-du-Loup (the cars are delivered to F.F. Soucy by CN) even if the cars have a higher capacity because we pay them on a per-car basis. Our client (Temrex) pays us by the

tonne, which is an advantage for us," he says.

The Gaspésie Railway Society will probably have to use CN cars and wave woodchip traffic profits for the rest of 2016 and into 2017.

For the moment, the acquisition of one used wood chip car in the United States will be a good test.

"We bought it for \$37,000. The profits will enable the Gaspésie Railway Society to pay for half of it in only one year," he says.

The used car will therefore be paid for in two years and can probably last another decade. New cars are built to last at least 40 years.

The amount of \$37,000 was borrowed from the Town of New Richmond. "It was much faster this way than having to contact the four MRCs and getting four approvals. The matter was resolved quickly with a resolution from the town council," he points out.

The president of the Gaspésie Railway Society and director general Luc Lévesque are working on a plan to finance the acquisition of the new cars. "We have ideas but it is a bit early to present them," says Mr. Dubé.